

## Press release

17 March 2003

### **Vestas accelerates its adjustment of manufacturing capacity from kW- to MW-turbines**

As expected the development on most markets tends towards larger turbines. Until today emphasis has been laid on sales of smaller kW-turbines in Italy and Ireland. This has now been altered due to amended depreciation rules in Ireland and the uncertainty concerning the pricing of green certificates in Italy. These conditions mean that sales of kW-turbines will be displaced.

At the same time Vestas experiences a continuously increasing demand for MW-turbines in Germany, in the United Kingdom and on other European markets.

The planned adjustment of Vestas' manufacturing capacity from kW- to MW-turbines will thus happen faster than previously expected. Consequently, the labour force has to be adjusted reflecting the level of activity on the blade and assembly factory in Italy. Furthermore, a transfer of employees from kW- to MW-turbine production in Scotland will take place. The adjustments in Denmark will result in a reduction of the labour force on the blade factory and on the controller factory in Lem, which manufacture components to the kW-turbines.

It will, however, to some extent be possible to transfer employees working with kW-turbines to the production of MW-turbines also in Denmark due to the increasing demand for the latter.

The level of adjustments in Denmark is not finally defined but discussions in meetings today preliminarily indicate that, unfortunately, Vestas will have to lay off in the magnitude of 250 employees paid by the hour (blue-collar workers) at the blade factory and the controller factory in Lem.

"Politically determined fluctuations of such character are part of our daily work. In connection with the present situation, however, the consequences are that we have to reduce the manufacturing of kW-turbines simultaneously with increasing the manufacturing of MW-turbines", says Svend Sigaard, Managing Director of Vestas Wind Systems A/S, and he continues: "Despite these reductions, Vestas finds it very satisfactory that the market for MW-turbines is developing positively."

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